

Making The Case For Propane Motor Fuel

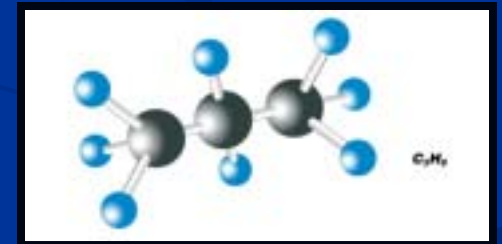
Cost Effective Infrastructure



Fueling the Fleet



Clean Burning
Propane



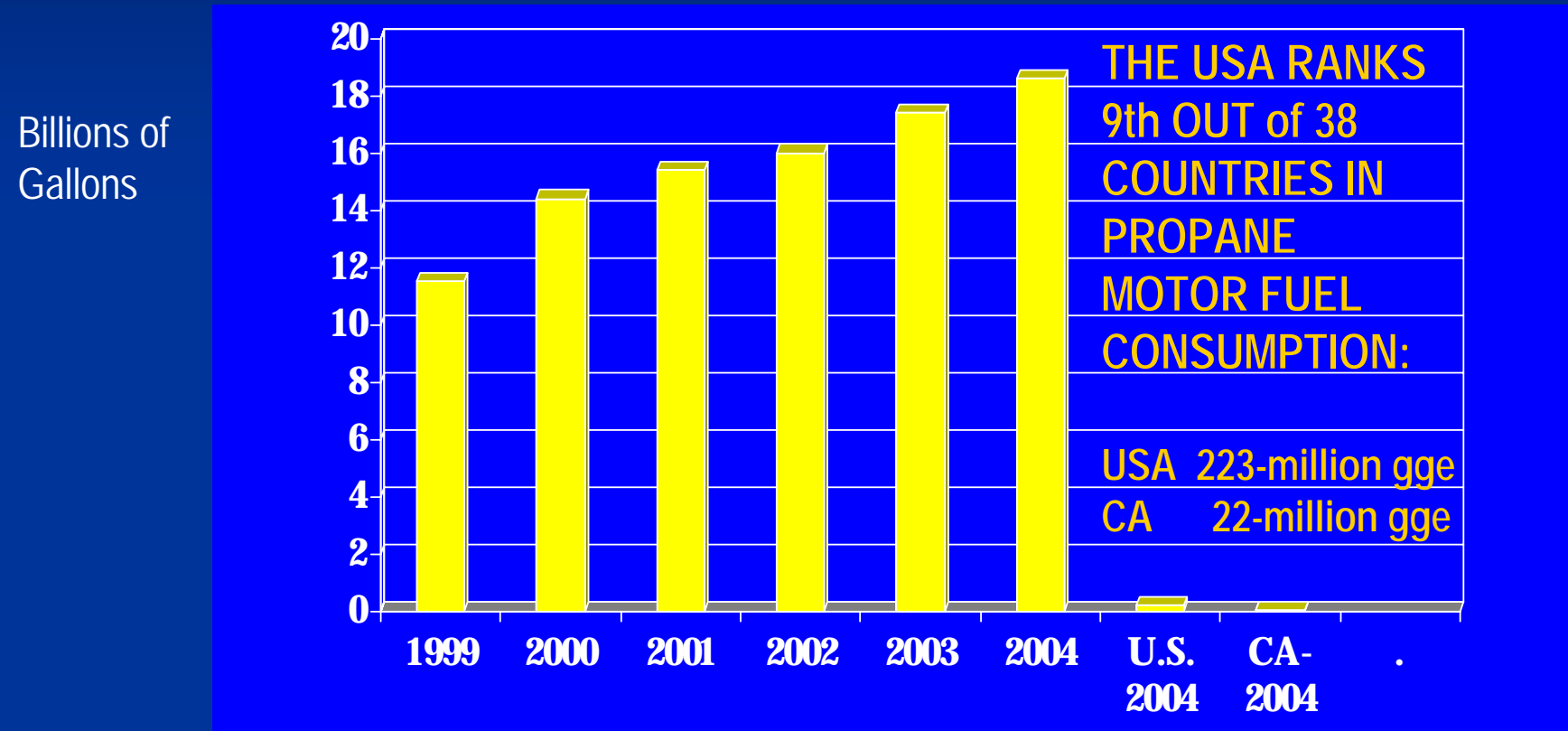
Significant Fuel Costs Savings Over Gasoline

Propane Motor Fuel

- Propane is the #1 Alternative Fuel Worldwide with more than 8-million Vehicles in Operation; Consuming more than 18-billion Gallons of Propane Fuel Annually
- U.S. and World Markets are Forecasting Abundant Propane Supply for Commercial Markets
- Propane Fuel is Easily Distributed Throughout Marketplace
- Infrastructure is Cost Effective
- Propane Fuel Provides Fuel Cost Savings Over Gasoline and is Competitive with Diesel
- Clean Burning Propane Offers Environmental Benefits and Reduces Gasoline and Diesel Consumption

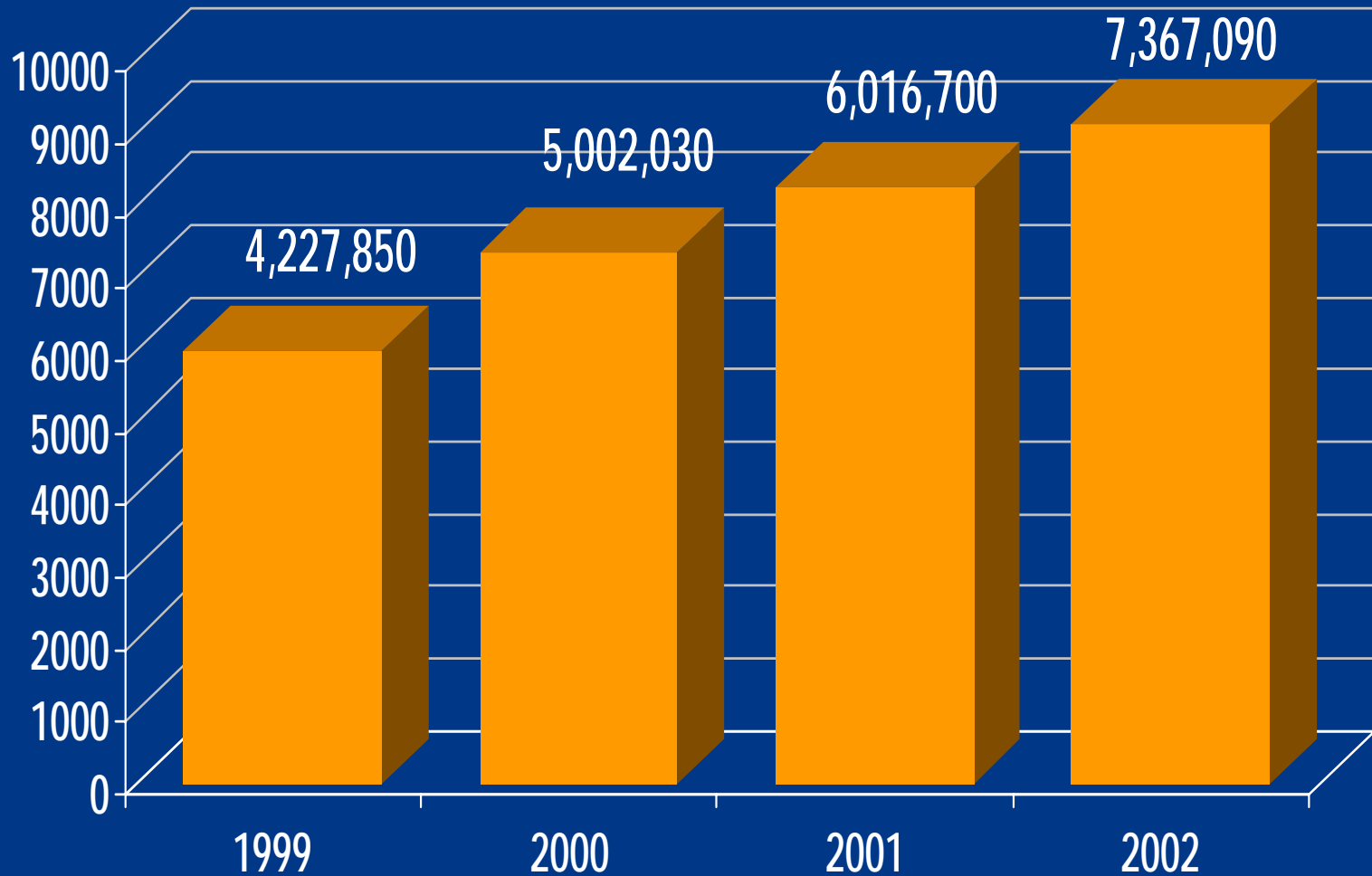
World Growth of Propane Motor Fuel

Global Consumption of L P Gas MVF



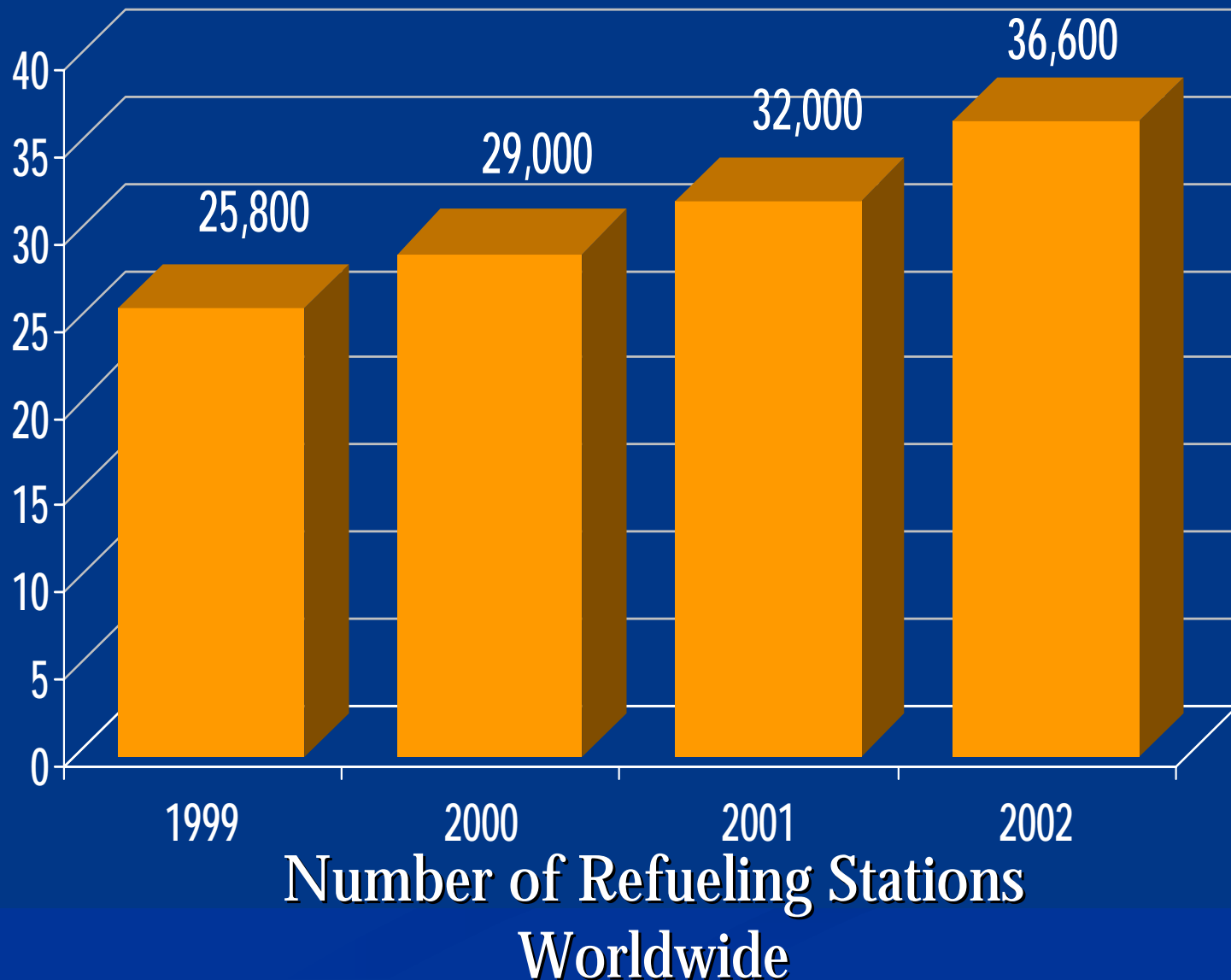
Since 1990, Propane Motor Fuel Has Grown From 6.6 to 7.5% of
Total World LP Gas MVF Consumption

Global Propane Vehicle Growth



**Number of Vehicles
Worldwide**

Global Propane Infrastructure Growth



CFUSA California Locations



Sacramento (6 Future Sites) 2005

***Santa Clara**

***Paso Robles**

***San Luis Obispo**

***Santa Maria**

***Lost Hills (I-5, Hwy 46)**

***Bakersfield**

***Lancaster**

Los Angeles (6 Future Sites) 2005

***Pomona**

***Tustin**

***San Diego (Regional Transit Center)**

**Future Sites Include
Valencia, Sylmar,
Arroyo Grande, Santa
Barbara, and Others**

*** operational**

CFUSA Refueling Location



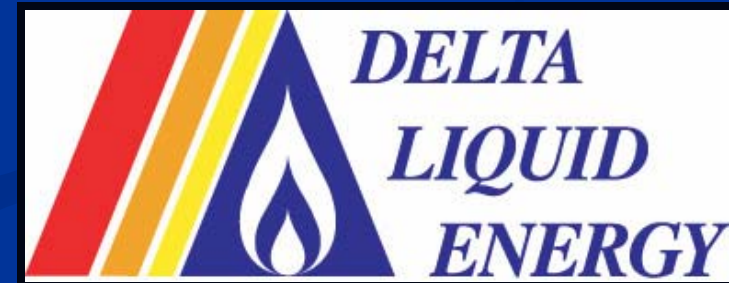
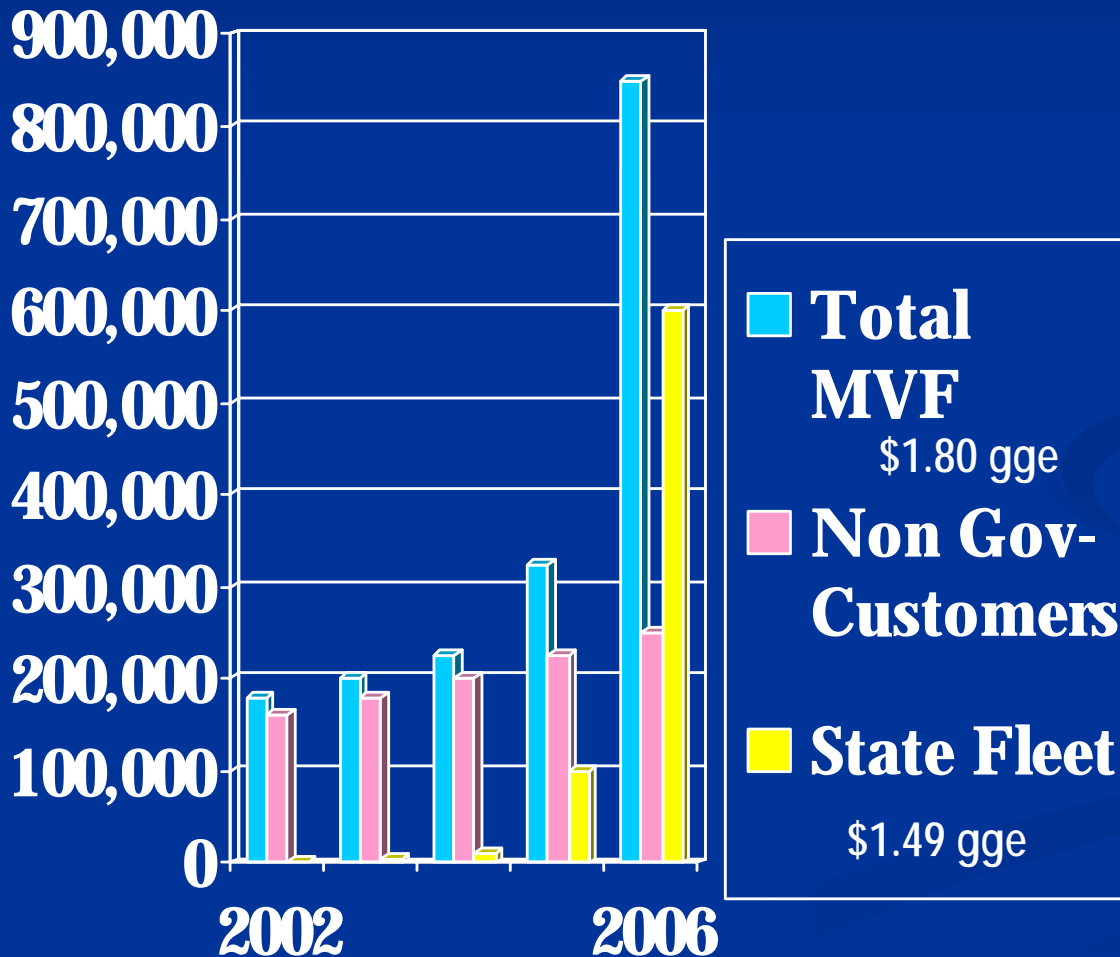
Conventional Island Refueling

Creating Partnerships





Refueling Network Throughput



California's Propane Motor Fuel Market

1999 Propane Market Share

- CA On-Road Propane Vehicles 33,000
- Propane Motor Fuel Consumption 40-million gal.

2004 Propane Market Share

- CA On-road Propane Vehicles 22,000
- Propane Motor Fuel Consumption 26-million gal.

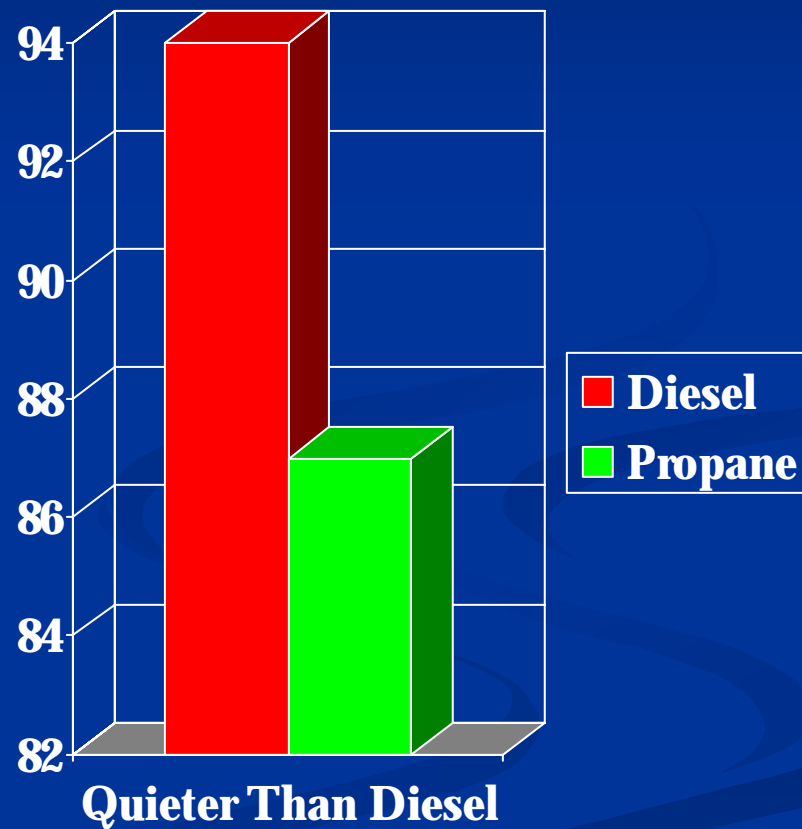
Source: U.S.DOE, EIA

Applying Propane Fuel To Diesel Engine Technology



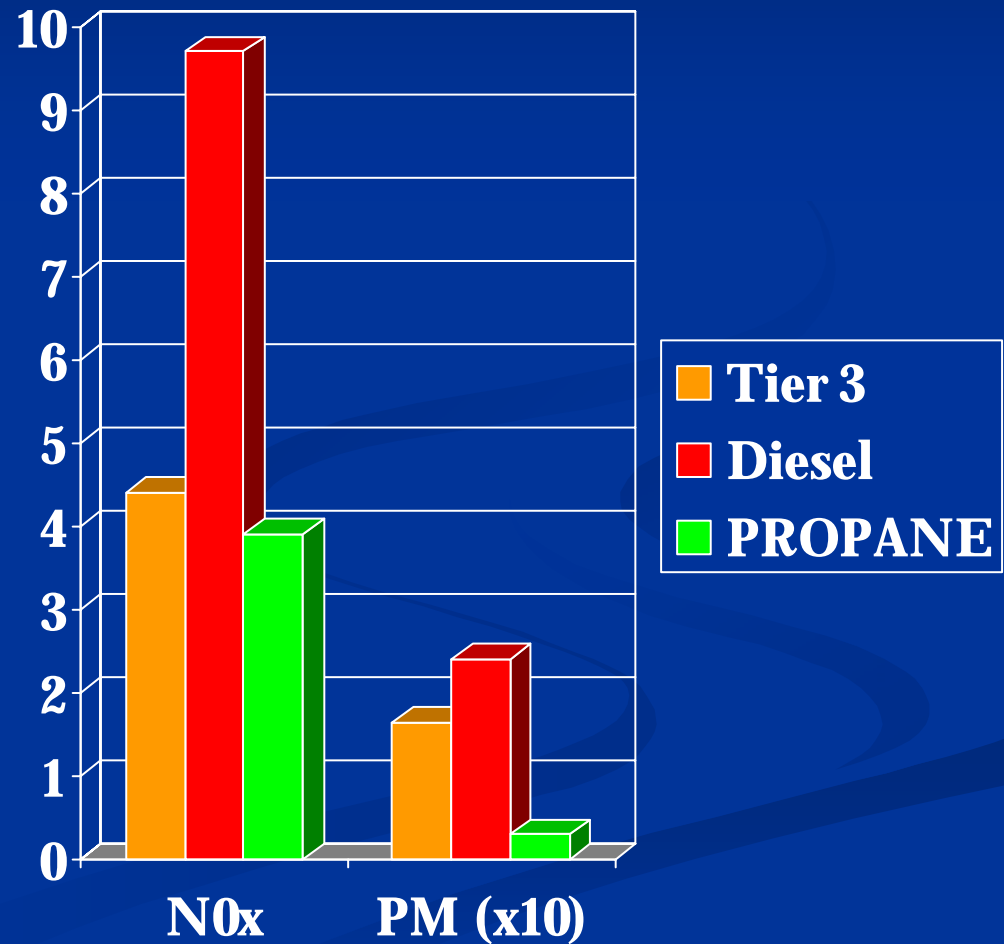
Noise Reduction

Noise Level (dB)
@2400 rpm Full Load



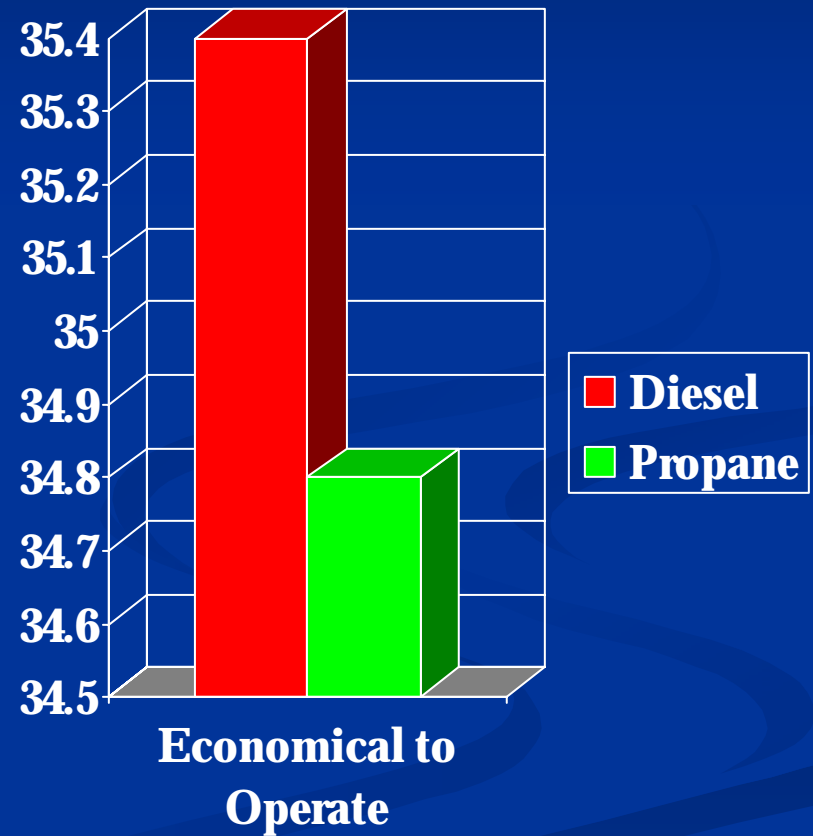
Emission Reductions

Emissions
(g/kW-hr



Efficiency

■ Efficiency (percent)
2400 rpm, Full Load



Current Market Barriers

- Inadequate level of 24/Hour Refueling Infrastructure Located at Traditional Gasoline Style Service Stations
- Deficient Number of New Propane-Powered Vehicles and Engine Platforms
- Excessive and Unreasonable Government Policies (CARB) Makes it Financially Prohibitive to Certify Additional Vehicles and Engines in California;
- As a Result, there are Insufficient Numbers of OEM Vehicle and Engine Providers Willing to Undergo the Cost Prohibitive Process of CARB Certification
- The Lack of Alternative Fuel Safety Training and Educate Programs Between Industry Organizations and State Fleet Operations

Objectives and Goals

- Increase Funding for AFV Infrastructure (CEC AFI Program)
- Partner with Propane Council on Specific Vehicles and Engine Platforms to Accelerate the Commercial Availability of Propane Vehicles and Engine Platforms
- Work with Cal-EPA / CARB to Implement New Creative Certification Policies that will Accelerate Additional AFV and Engine Platforms to the Marketplace Without Compromising Emission Standards
- Work Closer with OEM's to Develop AFV's
- Help Create State Sponsored Service / Maintenance Training Programs for Alternative Fuels in Collaboration with Industry Organizations
- Help Promote and Educate State Fleet Operations on Safety Training, as well as the Environmental and Economic Benefits of Alternative Fuels



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ConocoPhillips

